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ARIZONA LIVESTOCK

September 2001

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CATTLE ON FEED

On September 1, 2001, Arizona had 293,000 head of cattle on feed for the slaughter market, up 14 percent from a year ago, but down 4,000 head from August 1. Placements totaled 32,000 head, up 3,000 head from August 2000. During August, 34,000 head were marketed, compared to 33,000 last August.

On September 1, 2001, California had 470,000 head of cattle on feed for the slaughter market, up 13 percent from a year ago, but down 1 percent from last month. Placements totaled 50,000 head, 11 percent less than in August 2000. During August, 52,000 head were marketed, 5,000 less than last year.

Cattle and calves on feed for slaughter market in the United States for feedlots with capacity of 1,000 or more head totaled 10.87 million head on September 1, 2001. The inventory was 5 percent above September 1, 2000 and 14 percent above September 1, 1999. Placements in feedlots during August totaled 2.20 million, 10 percent below 2000 and 9 percent below 1999. Net placements were 2.15 million. During August, placements of cattle and calves weighing less than 600 pounds were 510,000, 600-699 pounds were 472,000, 700-799 pounds were 667,000, and 800 pounds and greater were 555,000. Marketings of fed cattle during August totaled 2.18 million, 1 percent below 2000, but 6 percent above 1999. Other disappearance totaled 54,000 during August, 10 percent above 2000, but 2 percent below 1999.

Cattle on feed September 1, 2001, in the historic 7 States for feedlots with capacity of 1,000 or more head totaled 9.39 million, up 5 percent from the previous year and 15 percent above September 1, 1999. Placements in feedlots during August totaled 1.91 million, 9 percent below 2000 and 1999. Marketings during August totaled 1.85 million, 2 percent below 2000, but 6 percent above 1999. Other disappearance during August was 46,000 head, 28 percent above 2000 and 10 percent above 1999

CATTLE ON FEED: NUMBER ON FEED (1,000+ CAPACITY FEEDLOTS) AUGUST 1, 2001 AND SEPTEMBER 1, 2000 AND 2001, PLACEMENTS, MARKETINGS, AND OTHER DISAPPEARANCE AUGUST 2000 AND 2001 BY STATE, UNITED STATES, AND HISTORIC 7 STATES

STATE 1/	Number on Feed 2/					Placements During August			Marketings During August			Other Disappearance During August 3/		
	Sep 1, 2000	Aug 1, 2001	Sep 1, 2001											
			Number	as % of 2000	as % of Aug	2000	2001	2001 as % of 2000	2000	2001	2001 as % of 2000	2000	2001	2001 as % of 2000
	1,000 Head			Percent		1,000 Head		Percent	1,000 Head		Percent	1,000 Head		Percent
***AZ**	**257**	**297**	**293**	**114**	**99**	**29**	**32**	**110**	**33**	**34**	**103**	**1**	**2**	**200**
*CA	415	475	470	113	99	56	50	89	57	52	91	4	3	75
*CO	1,070	1,060	1,020	95	96	300	210	70	275	245	89	5	5	100
ID	290	310	305	105	98	73	70	96	60	74	123	3	1	33
*IA	330	325	310	94	95	51	39	76	50	53	106	1	1	100
*KS	2,220	2,420	2,490	112	103	530	570	108	490	490	100	10	10	100
*NE	1,920	1,810	1,820	95	101	495	435	88	410	420	102	5	5	100
NM	90	101	96	107	95	18	12	67	17	15	88	4	2	50
OK	375	390	395	105	101	98	78	80	76	71	93	2	2	100
SD	128	154	140	109	91	35	21	60	32	34	106	1	1	100
*TX	2,760	3,000	2,990	108	100	630	570	90	580	560	97	10	20	200
WA	204	229	231	113	101	58	61	105	47	58	123	1	1	100
Other Sts	315	320	305	97	95	67	56	84	70	70	100	2	1	50
US	10,374	10,891	10,865	105	100	2,440	2,204	90	2,197	2,176	99	49	54	110

1/ States indicated with an asterisk are the historic seven states preparing monthly estimates of cattle on feed.
2/ Cattle and calves on feed are animals for slaughter market being fed a ration of grain or other concentrates and are expected to produce a carcass that will grade select or better.
3/ Includes death losses, movement from feedlots to pasture, and shipments to other feedlots for further feeding.

MILK COWS AND PRODUCTION: BY STATE, AUGUST 2000-2001

STATE	Milk Cows 1/		Milk Per Cow 2/		Milk Production 2/		
	2000	2001	2000	2001	2000	2001	Percent Change From 2000
	1,000 Head		Pounds		Million Lbs		Percent
AZ	**140**	**140**	**1,555**	**1,520**	**218**	**213**	**-2.3**
CA	1,533	1,595	1,750	1,765	2,683	2,815	4.9
FL	156	153	1,120	1,150	175	176	0.6
ID	355	372	1,790	1,830	635	681	7.2
IL	120	115	1,400	1,370	168	158	-6.0
IN	147	154	1,327	1,340	195	206	5.6
IA	215	207	1,510	1,475	325	305	-6.2
KY	132	128	1,015	1,045	134	134	
MI	302	302	1,605	1,590	485	480	-1.0
MN	530	510	1,435	1,400	761	714	-6.2
MO	153	144	1,130	1,025	173	148	-14.5
NM	255	268	1,730	1,770	441	474	7.5
NY	682	673	1,480	1,510	1,009	1,016	0.7
OH	263	258	1,390	1,400	366	361	-1.4
PA	619	598	1,485	1,480	919	885	-3.7
TX	348	322	1,185	1,140	412	367	-10.9
VT	160	152	1,455	1,480	233	225	-3.4
VA	120	118	1,250	1,270	150	150	
WA	247	247	1,940	1,945	479	480	0.2
WI	1,343	1,282	1,465	1,435	1,967	1,840	-6.5
20-State Total	7,820	7,738	1,525	1,529	11,928	11,828	-0.8

1/ Includes dry cows. Excludes heifers not yet fresh.
2/ Excludes milk sucked by calves.

COMMERCIAL RED MEAT PRODUCTION: ARIZONA AND U.S., AUGUST 2000 AND 2001 AND JULY 2001 1/

CLASS	August 2000	July 2001	August 2001	August 2001 as % of 2/	
				August 2000	July 2001
		1,000 Lbs		Percent	
<u>ARIZONA</u> 3/					
Total Red Meat	**35,100**	**36,100**	**38,200**	**109**	**106**
		Million Lbs		Percent	
<u>UNITED STATES</u>					
Beef	2,437	2,176	2,424	99	111
Veal	17	16	17	99	110
Pork	1,643	1,434	1,600	97	112
Lamb and Mutton	18	17	19	104	110
Total Red Meat	4,116	3,643	4,060	99	111

1/ Based on packers' dressed weights and excludes farm slaughter.
2/ Accumulated totals and percentages based on unrounded data.
3/ Breakdown by class not available, includes total beef, veal, pork, lamb, and mutton.

COMMERCIAL LIVESTOCK SLAUGHTER: ARIZONA, AUGUST 2001 AND U.S., JANUARY-AUGUST 2001 1/

SPECIES	**ARIZONA**			UNITED STATES		
	August			January-August		
	Number Slaughtered	Total Live Weight	Average Live Weight 2/	Number Slaughtered	Total Dressed Weight	Average Live Weight 2/
	1,000 Head	1,000 Lbs	Lbs	1,000 Head	1,000 Lbs	Lbs
Cattle	**51.4**	**63,446**	**1,235**	23,712.9	17,282	1,206
Calves 3/				661.8	129	324
Hogs	**0.2**	**48**	**228**	63,667.3	12,384	263
Sheep	**0.1**	**3**	**50**	2,117.7	149	141

1/ Includes slaughter under federal inspection and other commercial slaughter, excludes farm slaughter.
2/ Average live weights based on unrounded data.
3/ Not published to avoid disclosing individual operations but included in U.S. total.

LIVESTOCK OUTLOOK

Weather Extremes Continue to Impact Beef Production

Poor weather conditions reduced beef supplies this past winter and spring, resulting in sharply higher fed cattle prices and record retail beef prices as competition for the reduced supply of beef increased. Although cattle-on-feed inventories at the beginning of the year were 3 percent above a year earlier, first half beef production was 5 percent lower as both marketings and slaughter weights declined. Drought conditions since spring have also pushed more cattle into feedlots, which combined with compensatory weight gains and a slow marketing pace, will add to second-half fed beef supplies.

Beef Cow Slaughter Continues High

Beef cow slaughter has risen sharply over the past couple of months. Unless rains begin soon enough to generate pasture for fall and winter grazing, cow slaughter will increase further. Any additional increase in beef cow slaughter in 2001 will result in even sharper declines in beef production in the future. Beef production is revised upward in second half 2001 as more cattle have been placed into feedlots. Many of these cattle normally would not have been placed on feed until this fall or late winter. Beef production in both July and August was below year-earlier levels as cattle remain on feed longer. With larger on feed inventories, second-half marketings in late summer through mid fall should rise above year-earlier levels.

Cattle on Feed Inventories Up 7 Percent

Drought conditions throughout much of the Southern Great Plains and Pacific Northwest have again resulted in large numbers of cattle being pushed into feedlots. In particular, large numbers of heifers again have been placed on feed rather than entering the breeding herd. In addition, large numbers of this year's calf crop are also being forced into feedlots due to poor forage prospects. Poor moisture conditions through most of August are almost certain to result in another month of large placements. However, large placements are likely behind us as declining inventories since 1996 and another smaller calf crop this year should result in declining placements in late summer through fall.

If moisture conditions, which began to improve in some areas in late August, continue to improve and fall-winter grazing prospects are more favorable, prospects for beef supply reductions in 2002 will be more certain. High calf prices combined with improved forage conditions could trigger stronger than expected heifer retention and herd expansion, further reducing beef supplies beginning in second half 2002.

Large Beef-Competing Meat Supplies To Hold Down Prices

Larger supplies of fed beef and seasonally large pork supplies likely will result in declining beef prices through late fall. Prices for Choice retail beef likely peaked in June at a record $3.48 a pound, before declining modestly in July. Although prices are likely to decline this fall, they are expected to remain well above last year's $3.11 second-half average. Declining prices and larger supplies of higher quality beef are likely to support stronger exports in the second half of this year. Second-quarter beef exports were 16 percent below a year earlier as the domestic market outbid a soft international market for the lower supply of higher quality beef. Lower U.S. prices, and likely reduced stocks in major export markets are expected to limit price declines as beef supplies rise through mid-fall.

Late summer and fall rains and forage availability will determine the beef flows in 2002. Present large on-feed inventories and record weight trends will hold up beef supplies through first quarter 2002. Fed cattle prices are likely to average near $80 per cwt in 2002, up from the mid-$70's this year. Feeder cattle prices are expected to continue strong over the next several years as supplies decline. Larger supplies of competing meats in 2002 will hold down beef price gains and consequently feeder cattle price gains. However, cyclically this is a period when cattle feeders suffer red ink, while cow-calf operators are in the black, and weather permitting, can begin to retain heifers for expansion.

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RELEASE DATES FOR UPCOMING NATIONAL REPORTS

October 16	Milk Production
October 19	Cattle on Feed
October 19	Livestock Slaughter
October 26	Hogs and Pigs
October 31	Agricultural Prices

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PRICES RECEIVED INDEX DOWN 3 POINTS

The Preliminary All Farm Products Index of Prices Received in September was 106 based on 1990-92=100, down 3 points (2.8 percent) from the August Index. Higher prices for lettuce, milk, broilers, and wheat were partially offset by lower prices for hogs, soybeans, strawberries, and cattle. The seasonal change in the mix of commodities farmers sell often affects the overall index. Lower seasonal marketings of cattle, broilers, wheat, and milk were partially offset by higher marketings of soybeans, peanuts, corn, and potatoes. Compared with September 2000, the All Farm Products Index was 9 points (9.3 percent) higher. Price increases from September 2000 for milk, corn, broilers, and cattle were partially offset by lower prices for cotton, apples, tomatoes, and turkeys.

PRICES PAID INDEX UP 1 POINT

The September Index of Prices Paid for Commodities and Services, Interest, Taxes, and Farm Wage Rates (PPITW) was 124 percent of the 1990-92 average. The index rose one point (0.8 percent) from August and was 4 points (3.3 percent) above September 2000. Higher prices in September for complete feeds, diesel fuel, gasoline, and LP gas more than offset lower prices paid for nitrogen fertilizers, mixed fertilizers, feeder cattle and calves, and potash and phosphorus fertilizers.

PRICES RECEIVED BY FARMERS: ARIZONA AND U.S., SEPTEMBER 2000 AND 2001 AND AUGUST 2001

COMMODITY	UNIT	ARIZONA			UNITED STATES		
		September 2000 Entire Month	August 2001 Entire Month	September 2001 Mid-Month	September 2000 Entire Month	August 2001 Entire Month	September 2001 Mid-Month
Upland Cotton 1/	¢ Lb	**2/**	**34.6**	**2/**	50.6	36.0	34.3
All Wheat 3/	$ Cwt	**---**	**---**	**---**	2.44	2.73	2.80
Durum Wheat 3/	$ Cwt	**---**	**---**	**---**	2.32	2.38	2.71
Winter Wheat 3/	$ Cwt	**---**	**---**	**---**	2.37	2.71	2.77
All Hay Baled 4/	$ Ton	**90.00**	**99.00**	**96.00**	82.70	97.70	98.60
Alfalfa Hay Baled 4/	$ Ton	**90.00**	**99.00**	**96.00**	87.20	105.00	106.00
Other Hay Baled 4/	$ Ton	**88.00**	**90.00**	**90.00**	67.80	74.00	72.80
Lemons 6/	$ Box	**32.40**	**5/**	**40.50**	32.10	41.10	37.70
Cows 7/	$ Cwt	**35.50**	**44.20**	**43.00**	37.20	43.10	41.60
Steers and Heifers	$ Cwt	**64.30**	**71.30**	**71.50**	68.60	73.60	73.00
Beef Cattle 8/	$ Cwt	**64.00**	**71.00**	**71.20**	65.30	70.70	70.00
Calves	$ Cwt	**98.60**	**96.10**	**97.10**	103.00	106.00	106.00
All Milk 9/	$ Cwt	**12.40**	**16.50**	**16.80**	12.80	16.40	16.80

1/ Includes both spot and contract sales.
2/ Price not published to avoid disclosure of individual operations.
3/ Not available for Arizona.
4/ Mid-month.
5/ Insufficient sales to determine a price.
6/ F.O.B. packed fresh Arizona box weights: Lemons 76 lbs.
7/ Beef cows and cull dairy cows sold for slaughter.
8/ "Cows" and "steers and heifers" combined.
9/ Preliminary; before deductions for hauling. Includes quality, quantity and other premiums. Excludes hauling subsidies.

U.S. PRICE INDEX SUMMARY TABLE

INDEX 1990-92 = 100	2000		2001	
	August	September	August	September
Prices Received	96	97	109	106
Prices Paid	119	120	123	124
Ratio 1/	81	81	89	85

1/ Ratio of index of prices received by farmers to index of prices paid.